

SCHEDULE "O"

TERMS OF OCCUPANCY LICENCE

In the event the Vendor is unable to deliver to the Purchaser on or before the closing date conveyance of the Property free and clear of all encumbrances, save as provided for in this Agreement, for any reason whatsoever, including, without limitation, failure to register the Condominium prior to the Closing Date, then the Vendor, may, at its option, require the Purchaser to take possession of the Real Property in accordance with this Schedule "L" attached hereto and the Vendor's undertaking to deliver a conveyance in accordance with the provisions of this agreement within such period of time as the Vendor may determine. From and after the date of possession, the Purchaser shall be responsible for the realty taxes, water, hydro, gas and other public or private utilities, common expenses and interest on the unpaid balance of the Purchase Price all in accordance with this Schedule "L" until such time as the Vendor delivers a conveyance of the title to the Real Property to the Purchaser. The parties hereto further agree that upon the Vendor delivering to the Purchaser a conveyance in accordance with the terms of this Agreement, any further adjustments that may be required shall be made at the time of the delivery of the conveyance.

In the event that pursuant to paragraph 1(a) of Schedule "D" (Legal Terms and Provisions) the Dwelling is substantially completed and ready for occupancy by the Closing Date but the Creating Documents have not been registered and as a result thereof the Vendor is unable to deliver title to the POTL to the Purchaser, the following provisions shall apply:

1. The Purchaser shall pay or have paid to the Vendor, by certified cheque drawn on a Canadian chartered bank the lesser of the balance due on closing or the amount equal to the purchase price less the deposits paid and less the amount of the mortgage arranged by the Purchaser (the "Unpaid Balance of the Purchase Price") without adjustment; provided such lesser amount including all deposits is equal to at least twenty percent (20%) of the Purchase Price for the Property. Upon payment of such amount, the Vendor grants to the Purchaser a licence to occupy the POTL.
 - a. The Purchaser shall pay to the Vendor an Occupancy Fee calculate as follows:
 - i. the amount of interest payable in respect of the Unpaid Balance of the Purchase Price at the prescribed rate as specified in Subsection 19(1) of O.Reg 48/01 to the *Condominium Act*, 1998;
 - ii. the projected monthly common expense contribution for each POTL;
 - b. as an occupancy charge on the first day of each month in advance until title can be transferred to the Purchaser, no part of which shall be credited as payments on account of the Purchase Price, but which payments shall be a charge for occupancy only. If possession does not occur on the first day of the month, the Purchaser shall pay on the date of possession a pro rata amount for the balance of the month by certified funds. The Purchaser shall deliver to the Vendor a series of post-dated cheques as required by the Vendor for payment of the estimated monthly Occupancy Fee. With respect to taxes, the Purchaser agrees that the Purchaser shall be responsible for municipal taxes from the date of possession.
2. The Purchaser shall be allowed to remain in occupancy of the dwelling on the POTL provided the terms of this Occupancy Licence and the Agreement have been observed and performed by the Purchaser. In the event the Purchaser breaches the terms of occupancy-the Vendor in its sole discretion and without limitation of any other rights or remedies provided for in this Agreement or at law may terminate this Agreement and revoke the Occupancy Licence whereupon the Purchaser shall be deemed a trespasser and shall give up vacant possession forthwith. The Vendor may take whatever steps it deems necessary to obtain vacant possession and the Purchaser shall reimburse the Vendor for all costs it may incur.
3. At or prior to the time that the Purchaser takes possession of the dwelling on the POTL, the Purchaser shall execute and deliver to the Vendor any documents, directions, acknowledgments, assumption agreements or any and all other documents required by the Vendor pursuant to this Agreement, in the same manner as if the closing of the transaction was taking place at that time.
4. The Purchaser shall pay the monthly Occupancy Fee until title transfer and the Vendor shall destroy all unused post-dated Occupancy Fee cheques following title transfer.
5. The Purchaser agrees to maintain the dwelling on the POTL in a clean and sanitary condition and not to make any alterations, improvements or additions thereto without the prior written approval of the Vendor which may be unreasonably withheld. The Purchaser shall be responsible for all utility, telephone expenses, cable television service or other charges and expenses billed directly to the occupant of the POTL by the supplier of such services.
6. The Vendor covenants to proceed with due diligence to register the Creating Documents as defined in Schedule "K". Upon the Creating Document being registered, the Vendor and Purchaser shall proceed to complete the title transfer within sixty (60) days thereafter. If the Vendor for any reason whatsoever is unable to register the Creating Documents and therefore is unable to deliver a registerable Transfer/Deed to the Purchaser within twelve (12) months of the Purchaser taking possession, the Purchaser or Vendor shall have the right after such twelve (12) month period to give sixty (60) days written notice to the other, to terminate the Occupancy Licence and this Agreement. If the Vendor or Purchaser gives notices of termination, the Purchaser shall give up vacant possession and pay the Occupancy Fee to such date, after which this Agreement and Occupancy Licence shall be terminated and all moneys paid to the Vendor on account of the Purchase Price shall be returned to the Purchaser without deduction, subject however, to any repair and redecorating expenses of the Vendor necessary to restore the dwelling on the POTL to its original state of occupancy, reasonable wear and tear excepted. The Purchaser and Vendor each agree to provide a release of this Agreement in the Vendor's standard form. If the Vendor or Purchaser do not give notice of termination, the provisions of Section 79(3) of the Act may be invoked by the Vendor.
7. The Vendor and the Purchaser covenant and agree, notwithstanding the taking of possession, that all terms hereunder continue to be binding upon them and that the Vendor may enforce the provisions of the Occupancy Licence separate and apart from the purchase and sale provisions of this Agreement

8. The Purchaser acknowledges that it is the responsibility of the Purchaser, upon taking possession to insure the dwelling on the POTL for the full replacement value thereof and to provide a copy of same to the Vendor. The Vendor is not liable for the Purchaser's loss occasioned by fire, theft or other casualty, unless caused by the Vendors willful conduct.
9. The Purchaser agrees to indemnify the Vendor for all losses, costs and expenses incurred as a result of the Purchaser's neglect, damage or use of the POTL or the Condominium, or by-reason of injury to any person or property in or upon the POTL or the Condominium resulting from the negligence of the Purchaser, members of his/her immediate family, servants, agents, invitees, tenants, contractors and licensees. The Purchaser agrees that should the Vendor elect to repair or redecorate all or any part of the dwelling on the POTL as a result of the Purchaser's neglect, damage or use of the dwelling on the POTL, he/she will immediately reimburse the Vendor for the cost of doing same, the determination of need for such repairs or redecoration shall be at the discretion of the Vendor, and such costs may be added to the Purchase Price.
10. The Purchaser shall not have the right to assign, sublet or in any other manner dispose of the Occupancy Licence during interim Occupancy without the prior written consent of the Vendor which consent may be arbitrarily withheld.
11. The Purchaser shall at all times refrain from obstructing or damaging any of the Property is to become part of the Common Elements of the Condominium Corporation described in Schedule "K" above.
12. The provisions set forth in this Agreement unless otherwise expressly modified by the terms of the Occupancy Licence, shall be deemed to form an integral part of the Occupancy Licence. In the event the Vendor elects to terminate the Occupancy Licence pursuant to this Agreement following substantial damage to the dwelling on the POTL, the Occupancy Licence shall terminate forthwith upon notice from the Vendor to the Purchaser. If the dwelling on the POTL can be repaired within a reasonable time following damages as determined by the Vendor (but not, in any event, to exceed one hundred eighty (180) days) and the dwelling on the POTL is, during such period of repair uninhabitable, the Vendor shall proceed to carry out the necessary repairs to the dwelling on the POTL with all due dispatch and the Occupancy Fee shall abate during the period when the dwelling on the POTL remains uninhabitable; otherwise, the Purchaser shall vacate the dwelling on the POTL and deliver up vacant possession to the Vendor and all moneys (excluding the Occupancy Fee paid to the Vendor) shall be returned to the Purchaser without deduction. It is understood and agreed that the proceeds of all insurance policies held by the Vendor are for the benefit of the Vendor alone.

Purchaser

Purchaser

MOSAIK (INNISFIL) INC.
(Vendor)

Per: _____
- A.S.O.
I have authority to bind the corporation.